

Oldham

Local

Plan

Housing Delivery Interim Planning Position Paper

June 2025



Oldham
Council

Contents

1. Executive Summary.....	2
2. Background	4
3. Overall Housing Mix	13
4. Affordable Housing Requirements	15
5. Housing in the Green Belt.....	21
6. Conclusion	22

1. Executive Summary

- 1.1. This Interim Planning Position Paper supports the implementation of policies within Oldham's Local Plan – The Joint Core Strategy and Development Management Development Plan Document, adopted November 2011. This paper supersedes the previous 'Affordable Housing Interim Planning Position Paper' published by the council in March 2022.
- 1.2. The paper sets out the council's position in relation to housing mix – size, type and tenure; and affordable housing requirements, including affordable housing thresholds and exceptions (such as the application of Vacant Building Credit).
- 1.3. The paper also explains, in the context of Oldham, recent updates to National Planning Policy (as revised in December 2024) and Planning Practice Guidance, particularly in relation to housing in the Green Belt and applying the affordable housing 'Golden Rule'.
- 1.4. The paper will be used when assessing planning applications and development proposals for residential development against policy 3 'Address of Choice', policy 10 'Affordable Housing' and policy 11 'Housing' of Oldham's Local Plan. It must also be read alongside Places for Everyone (PfE) policies JP-H2 'Affordability of New Housing', JP-H3 'Type, Size and Design of New Housing'.
- 1.5. The paper is informed by the council's Local Housing Needs Assessment (LHNA) which was updated in 2024. The LHNA is a key evidence base document and sets out information on local housing needs of different groups (including affordable housing, provision for older people and disabled people), housing mix – including size, tenure and type, and sets out recommendations and policy guidance.
- 1.6. The paper provides updated evidence to inform the interpretation and implementation of the policies in Oldham's Local Plan. It is a material consideration and should be used in decision making as appropriate. The positions set out within the paper are summarised below.
- 1.7. In terms of housing mix and implementation of Local Plan policy 11 this paper sets out that in line with the findings and recommendations of the LHNA, all new residential development should be informed by the recommended mix set out in Table 1, as appropriate to the tenure of development proposed (market sale, affordable / social rent and affordable home ownership). This will ensure that new housing can support local housing needs. In addition, PfE policy JP-H4 requires that all new dwellings should comply with nationally described space standards and should be built to 'accessible and adaptable' standard.
- 1.8. In terms of seeking affordable housing as part of new development, this paper sets out the policy position in line with paragraph 65 of NPPF and considering the evidence of affordable housing need set out in the LHNA. The position is that the council considers it appropriate to continue to apply Oldham Local Plan policy 10 in securing the provision of affordable housing and that this should be on developments of 10 homes or more (in line with the definition of 'Major Development' set out in Annex 2 of NPPF). This position reflects the updates to national planning policy and evidence of local need since the adoption of the Local Plan in 2011.

- 1.9. In terms of affordable housing tenure, in the application of Local Plan policy 10 and 11, this paper sets out a recommended split for new affordable housing delivery of 65% social/ affordable rent and 35% affordable home ownership. This position is in line with NPPF paragraph 66 and the evidence of affordable housing needs set out in the LHNA.
- 1.10. This paper also clarifies the council's position in relation to applying Vacant Building Credit (VBC) as an exception to providing affordable housing (in part or in full). The criteria for application are set out in section 4.
- 1.11. Finally, in line with the revised NPPF, this paper clarifies the application of the affordable housing 'Golden Rule' as applies to residential development within the Green Belt. Golden Rule a) (affordable housing) will be sought in conjunction with policy 10 of the Local Plan. In calculating the number of affordable homes required under this Golden Rule, 15 percentage points will be added to the proportion of the development site capacity that is the equivalent of 7.5% of the total development sales value. An example is provided in section 5 to assist in application.
- 1.12. The council's approach to updated national guidance and local evidence will be considered further and finalised as part of the Local Plan Review. Further details about the Local Plan Review can be found [online](#)¹.

¹ Oldham's Local Plan Review: https://www.oldham.gov.uk/info/201233/local_plan_review

2. Background

- 2.1. This section provides a summary of the national and local planning policy context and evidence that has helped to inform the approach taken within this Interim Planning Position Paper.

National Planning Policy (NPPF)

- 2.2. A revised NPPF was published in December 2024, which sets out several policy considerations that are relevant to this paper.
- 2.3. Chapter 5 (Delivering a sufficient supply of homes) sets out the requirements regarding boosting the supply of homes. The key elements are as follows.
- 2.4. Paragraph 61 notes that the overall aim should be to meet an area's identified housing need, including with an appropriate mix of housing types for the local community.
- 2.5. Paragraph 63 states that policies should identify the size, type and tenure of homes needed for different groups in the community. These groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.
- 2.6. Paragraphs 64-66 set out the requirements in relation to affordable housing:
- Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required) and expect it to be met on-site unless: a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and b) the agreed approach contributes to the objective of creating mixed and balanced communities.
 - Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).
 - To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.
 - The mix of affordable housing required should meet identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures.
- 2.7. Paragraphs 67-68 state that as part of the 'Golden Rules' for Green Belt development set out in paragraphs 156- 157, a specific affordable housing requirement (or requirements) should be set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should: a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability).

- 2.8. Paragraph 71 sets out that mixed tenure sites can provide a range of benefits, including creating diverse communities and supporting timely build out rates, and local planning authorities should support their development through policies and decisions (although this should not preclude schemes that are mainly, or entirely, for Social Rent or other affordable housing tenures from being supported). Mixed tenure sites can include a mixture of ownership and rental tenures, including Social Rent, other rented affordable housing and build to rent, as well as housing designed for specific groups such as older people's housing and student accommodation, and plots sold for custom or self-build.
- 2.9. The revised NPPF makes significant policy changes around Green Belt development. Paragraph 155 sets out the circumstances in which development of homes in the Green Belt should not be regarded as inappropriate, including where (if applicable) the development proposed meets the 'Golden Rules' requirements set out in paragraphs 156-157.
- 2.10. Paragraph 156 sets out where major development involving the provision of housing is proposed on land released from the Green Belt through plan preparation or review, or on sites in the Green Belt subject to a planning application the contributions (or 'Golden Rules') that should be made. This includes the
- a) provision of new, or improvements to existing, green spaces that are accessible to the public. New residents should be able to access good quality green spaces within a short walk of their home, whether through onsite provision or through access to offsite spaces.
- 2.11. Paragraph 157 states that in the absence of up-to-date policies in line with paragraphs 67-68 of NPPF, the affordable housing contribution required to satisfy the Golden Rules is 15 percentage points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50%. In the absence of a pre-existing requirement for affordable housing, a 50% affordable housing contribution should apply by default. The use of site-specific viability assessment for land within or released from the Green Belt should be subject to the approach set out in national planning practice guidance on viability.
- 2.12. Other relevant updates related to the revised NPPF, are set out below:
- Annex 2 'Glossary' has been updated to define 'Grey Belt' as 'land in the Green Belt comprising previously developed land and/or any other land that, in either case, does not strongly contribute to any of purposes (a), (b), or (d) in paragraph 143. 'Grey belt' excludes land where the application of the policies relating to the areas or assets in footnote 7 (other than Green Belt) would provide a strong reason for refusing or restricting development.'
 - NPPF now places more emphasis on social rent housing over other tenures. To support this, references to the requirement to provide 25% of affordable housing for First Homes has been removed. However, First Homes continue to meet the definition of 'affordable housing' (as defined in a Ministerial Statement published in May 2021) and can still be delivered where appropriate.

Planning Practice Guidance (PPG)

- 2.13. In line with revisions to NPPF several updates were made to PPG which are relevant to the policy positions set out in this paper.
- 2.14. PPG on Effective Use of Land² has been updated to include clarification on applying substantial weight applied to brownfield land proposals in line with paragraph 125c of NPPF.
- 2.15. PPG on Green Belt³ has been updated to provide guidance on assessing Green Belt contributions and identifying grey belt land.
- 2.16. PPG on Viability⁴ has been updated to make clear that where development takes place on land situated in, or released from, the Green Belt and is subject to the 'Golden Rules', site specific viability assessments should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. Where an existing policy is applicable, the uplift percentage applied should be applied regardless of viability. This is to ensure a high bar is set for development within the Green Belt.

Places for Everyone (PfE) Joint Development Plan Document

- 2.17. Places for Everyone (PfE) was adopted on 21 March 2024, becoming part of Oldham's development plan.
- 2.18. JP-H1 of PfE sets out Oldham's housing requirement for 2022 to 2039 (the PfE plan period). Policy JP-H1 identifies a stepped housing requirement (minimum) for Oldham of 404 homes per year for 2022-2025, 680 homes per year for 2025-2030, and 772 homes per year for 2030-2039. This equates to an annual average of 680 new homes per year.
- 2.19. JP-H2 sets out policy to support an increase in the delivery of affordable housing. It sets out that the provision of affordable housing should be set out in local policies and based on evidence of local need. Where possible new developments should deliver mixed communities (avoiding clusters of tenure).
- 2.20. JP-H3 sets out requirements relating to housing type, size and design of new housing and that residential developments should provide an appropriate mix of dwelling types and sizes reflecting local plan policies. The policy also requires that all new homes comply with nationally described space standards and are built to the 'adaptable and accessible' standard in Part M4(2) of the Building Regulations.
- 2.21. JP-H4 sets out minimum densities for new housing development which ensure that development is delivered at a density appropriate to the location, reflecting the relative accessibility of the site by walking, cycling and public transport and the need to achieve efficient use of land and high-quality design.
- 2.22. JP-D2 sets out the policy for gathering developer contributions as part of new development. It states that developers should provide, or contribute to, the provision of mitigation measures to make the development acceptable in planning terms. These will be secured through either planning conditions, Section 106 planning obligations, Section 278 agreements or CIL. If an applicant wishes to make a case that a

² PPG 'Effective use of land': <https://www.gov.uk/guidance/effective-use-of-land>

³ PPG 'Green Belt': <https://www.gov.uk/guidance/green-belt>

⁴ PPG 'Viability': <https://www.gov.uk/guidance/viability>

development is not viable, they should provide clear evidence at the planning application stage. The Local Planning Authority should determine the weight to be given to a viability assessment alongside other material considerations.

Oldham's Local Plan – the Joint Core Strategy and Development Management Policies Development Plan Document (2011)

- 2.23. Oldham's Joint Core Strategy and Development Management Policies Development Plan Document (referred to as our Local Plan) was adopted 9 November 2011.
- 2.24. Policy 3 'An Address of Choice' supports the delivery of housing. It sets out the circumstances where residential development will be permitted (including where it contributes to delivery of the borough's regeneration priorities or local affordable housing needs) and requirements for access to key services for new development. The policy also sets out the expected distribution of housing land, however this part of the policy has been superseded by PfE policy JP-H1 'Scale, Distribution and Phasing of New Housing Development'.
- 2.25. Policy 10 'Affordable Housing' sets out requirements for seeking affordable housing as part of new development. The policy is set out in figure 1 below.

Figure 1 – Local Plan Policy 10 Affordable Housing (as published)⁵

Policy 10 Affordable Housing

All residential development of 15 dwellings and above, in line with national guidance, will be required to provide an appropriate level of affordable housing provision. The current target is for 7.5% of the total development sales value to go towards the delivery of affordable housing, unless it can be clearly demonstrated to the council's satisfaction that this is not viable. This target is based on the findings of the Affordable Housing Economic Viability Assessment (AHEVA) but will be monitored and reviewed over the lifetime of the LDF to ensure that it is still appropriate.

When agreeing the level and nature of affordable housing to be provided the council will have regard to the following:

- a. the size and type of affordable housing to be provided, such as social-rented accommodation or intermediate housing, and how this meets the local affordable housing needs; and
- b. the availability of Social Housing Grant, or equivalent, to support the delivery of the affordable housing; and
- c. the impact of the provision of affordable housing on the economic viability of the development; and
- d. whether the provision of affordable housing would prejudice the delivery of other planning and regeneration objectives.

Affordable housing must be provided on-site, in partnership with a Registered Provider, preferably that belongs to the Oldham Housing Investment Partnership (OHIP) (1) unless there are exceptional circumstances that would justify the acceptance, by the council, of off-site provision within the locality or a financial contribution in lieu of provision.

Exceptional circumstances include:

- e. where the specific characteristics of the residential development proposed mean that the provision of affordable housing is neither practicable or desirable; or
- f. where the council consider the off-site provision within the locality or a financial contribution would meet local affordable housing needs and other planning and regeneration objectives more effectively.

Where a financial contribution is paid and the provision cannot be provided on-site, the priority will be given to off-site provision in the local area followed by off-site provision within the borough.

The council will use planning conditions or obligations to secure delivery of the affordable housing provision, and to ensure that it is occupied in perpetuity by people falling within particular categories of need for affordable housing.

The council will provide further advice and guidance on this policy.

⁵ Oldham's Local Plan: https://www.oldham.gov.uk/downloads/file/1445/development_plan_document-joint_core_strategy_and_development_management_policies

2.26. Policy 11 'Housing' sets out that all residential developments must deliver a mix of appropriate housing types, sizes and tenures that meet the needs and demands of the borough's urban and rural communities. The policy is set out in figure 2 below.

Figure 2 – Local Plan Policy 11 Housing (as published)⁶

Policy 11 Housing

All residential development must be appropriate to the area, accessible to public transport and key services, and have regard to the council's plans for the area.

The council will promote the delivery of a mixed housing stock, based on the findings of local evidence which will be monitored and reviewed over the lifetime of the LDF, to ensure that it is still appropriate. Based on our current local evidence this includes:

- a. family housing (three bedrooms and above), particularly within regeneration areas, to widen the choice of housing available and address issues of overcrowding;
- b. a mix of housing within Oldham Town Centre and the centres of Chadderton, Failsworth, Hill Stores, Lees, Royton, Shaw and Uppermill as appropriate, to encourage people to live within these areas; and
- c. high-value housing to retain and attract residents throughout the borough.

The council will have regard to the following to determine the appropriate mix on a specific site:

- d. the need to create sustainable and inclusive communities and meet identified housing needs within the site and surrounding area and, in the case of smaller developments the surrounding area; and
- e. the findings of the Greater Manchester and Oldham Strategic Housing Market Assessments (SHMA) (46) and other local evidence identifying housing needs and demands within the borough; and
- f. the location and characteristics of the site, including:
 - i. public transport accessibility and access to key services, consistent with key issue 5 in Table A; and
 - ii. shape, topography, landscape, historic environment and biodiversity features; and
 - iii. surrounding uses and characteristics; and
- g. delivery of wider planning and regeneration objectives.

Houses in multiple occupancy shall not be permitted unless it can be demonstrated that the proposal does not adversely affect: the local character of the area; the residential and workplace amenity of current, future and neighbouring occupants; and traffic levels and the safety of road users.

The Government changed the classification of gardens from 'brownfield' to 'greenfield' in June 2010. As stated in Policy 3, the use of previously developed land and vacant or underused buildings is the council's first preference for residential development and the availability of such land, both in the locality and boroughwide, as assessed by the council's monitoring arrangements, will be the first consideration when regarding applications on 'greenfield' sites. In addition, housing development within an existing residential curtilage shall not be permitted unless it can be demonstrated that the development: is acceptable in terms of design, scale, massing and density; is sensitive and compatible with local character; does not adversely affect the amenity of adjoining dwellings; is acceptable in access and parking arrangements. All residential development must provide adequate garden or other outside amenity space.

The council will provide further advice and guidance on this policy.

Evidence Base

Local Housing Needs Assessment (LHNA) (2024)

- 2.27. An update to Oldham's Local Housing Need Assessment (LHNA) has recently been carried out. The 2024 LHNA updates the previously published LHNA (2019), that was prepared as part of the Housing Strategy (2019).
- 2.28. The LHNA is an up-to-date, robust evidence base document which has been prepared to inform existing planning policy and decisions and will inform policy preparation as part of the Local Plan Review. It incorporates:
- Findings from a Household Survey in 2018 (re-weighted using the 2021 Census) which was completed by 2,080 households, representing a 12% response rate from the sample surveyed;
 - An online survey of stakeholders;
 - Interviews with estate and letting agents; and
 - A review of existing (secondary) data.
- 2.29. The main findings of the LHNA are set out below:
- An identified need for 669 affordable homes a year across the borough, over the next 10 years. This represents a significant increase in the number of affordable homes needed since the previously published LHNA in 2018, which identified a need for 203 affordable homes a year.
 - A recommended affordable housing tenure split of 65% social / affordable rent and 35% affordable home ownership.
 - An identified imbalance in the size, mix, and type of new homes required across the borough to meet local housing needs, particularly for 3 bedroomed and larger homes. There is also increasing numbers of people at risk of, or currently experiencing, homelessness in the borough which can only be addressed by the delivery of new affordable housing.
 - In response to the evidence of supply and demand variations by area and property size the LHNA suggests the following total mix of house type and sizes (for all tenures):
 - 60-65% houses, 10-15% flats and 25-30% bungalow/ level-access.
 - 40-45% 1-2 bedroomed, 35-40% 3 bedroomed and 20-25% 4+ bedroomed.
 - For affordable housing, the recommended split is as follows:
 - Affordable/ social rent:
 - 35-40% houses, 30-35% flats and 30-35% bungalow/ level-access.
 - 70-75% 1-2 bedroomed, 20-25% 3 bedroomed and 5-10% 4+ bedroomed.
 - Affordable home ownership:

⁶ Oldham's Local Plan: https://www.oldham.gov.uk/downloads/file/1445/development_plan_document-joint_core_strategy_and_development_management_policies

- 65-70% houses, 15-20% flats and 15-20% bungalow/ level-access.
 - 35-40% 1-2 bedroomed, 40-45% 3 bedroomed and 20-25% 4+ bedroomed.
 - In terms of meeting the needs of other groups, the LHNA has identified a need for 4,869 additional units of accommodation for older people by 2041 including 775 residential care bedspaces, 955 Extra Care units, and 3,139 other types of accommodation including leasehold sheltered.
- 2.30. Further detail on the findings and recommendations of the LHNA are embedded into the position statement sections, as relevant, in the remainder of this paper.

3. Overall Housing Mix

- 3.1. It is important that new residential development provides a diverse range of housing that is high-quality and meets the needs of different sections of our population at different life stages.
- 3.2. The LHNA has provided an analysis of dwelling mix underpinned by a demographic scenario model which takes into account projected household change to 2041 (using 2018-based ONS household projections). Based on this, the LHNA has provided recommendations for overall housing type and mix (table 5.1 of the LHNA), as is summarised in table 1 below.
- 3.3. To support flexibility in delivery, dwelling type and mix by tenure is presented as a broad range which also considers household aspirations and expectations.
- 3.4. The table recommends an overall split of housing tenure of 80% market housing and 20% affordable housing – affordable housing tenure broken down further as 12% social/ affordable rent and 8% affordable home ownership⁷.

Table 1 Summary of Overall Dwelling Type/ Size and Mix by Tenure⁸

Dwelling type/size	Market	Affordable/ social rented	Affordable home ownership	Total
Overall % split	80%	12%	8%	100%
Dwelling type				
House	70-75%	35-40%	65-70%	60-65%
Flat	2-5%	30-35%	15-20%	10-15%
Bungalow/level-access	25-30%	30-35%	15-20%	25-30%
Size (bedrooms)				
1-2	30-35%	70-75%	35-40%	40-45%
3	40-45%	20-25%	40-45%	35-40%
4+	25-30%	5-10%	20-25%	20-25%

- 3.5. As set out above, the overall dwelling type recommended split is for 60-65% houses, 10-15% flats and 25-30% bungalow/ level-access. The recommend house size split is for 40-45% 1-2 bedroomed, 35-40% 3 bedroomed and 20-25% 4+ bedroomed.
- 3.6. The split is broken down further for market sale homes, affordable/ social rent homes and affordable home ownership, as follows:
- 3.7. Market sale:
 - 70-75% houses, 2-5% flats and 25-30% bungalows/ level-access.
 - 30-35% 1-2 bedroomed, 40-45% 3 bedroomed and 25-30% 4+ bedroomed.

⁷ Affordable housing as defined by NPPF Annex 2 'Glossary'.

⁸ Adapted from Table 5.1 of the LHNA (2024).

- 3.8. Affordable/ social rent:
- 35-40% houses, 30-35% flats and 30-35% bungalow/ level-access.
 - 70-75% 1-2 bedroomed, 20-25% 3 bedroomed and 5-10% 4+ bedroomed.
- 3.9. Affordable home ownership:
- 65-70% houses, 15-20% flats and 15-20% bungalow/ level-access.
 - 35-40% 1-2 bedroomed, 40-45% 3 bedroomed and 20-25% 4+ bedroomed.
- 3.10. Table 5.2 of the LHNA provides further guidance on the recommended housing mix by tenure and district.
- 3.11. The LHNA has also looked at the need for specialist housing, including housing for older people and disabled people. It has found that there is a need for 4,869 additional units of accommodation for older people by 2041, including 775 residential care bedspaces, 955 Extra Care units and 3,139 other types of accommodation, including leasehold sheltered, enhanced sheltered and Extra Care for sale. Oldham has a good supply of dementia-friendly older persons accommodation through existing provision.
- 3.12. The LHNA update recommends strengthening policies to enable people to live in their own homes for longer with appropriate support and adaptation. This will be considered as part of the Local Plan Review as appropriate.
- 3.13. In line with PfE JP-H3, the LHNA also sets out that all new homes should be accessible and adaptable (M4(2) Standard), which would include bungalows/ level access accommodation. It also recommends that 5% of all new homes should be wheelchair accessible (M4(3) Standard).
- 3.14. This recommended dwelling type/ size split reflects the needs of local residents and demographic data which shows Oldham has an ageing population, meaning there is expected to be an increase in the need for level-access housing, which cannot be met by the existing housing stock.

Policy Position – Housing Mix

In line with PfE policy JP-H3 and Local Plan policy 11, the LHNA (2024) provides key updated evidence to inform local housing mix (dwelling type and size), through these policies.

As such, all new residential development should be informed by the recommended mix set out in Table 1 above, as appropriate to the tenure of development proposed.

Alternative housing mixes will be acceptable where appropriate and to provide a specific type of development, in line with local housing needs.

PfE policy JP-H3 requires that all new dwellings should comply with nationally described space standards and should be built to 'accessible and adaptable' standard. of M2 (2) Building Regulations.

Where relevant, the evidence of specialist housing need, including that for older and disabled people, set out within the LHNA, should be used to inform proposals for specialist housing need, as appropriate.

4. Affordable Housing Requirements

- 4.1. The LHNA (2024) provides updated evidence on the need for the affordable housing across the borough.
- 4.2. The LHNA has identified a net shortfall of affordable housing of 669 homes each year. Modelling assumes this is the shortfall each year, over a 10-year period. This is a marked increase on the 203 homes each year as reported in the 2018 LHNA and reflects the overall increase in need, and the increasing cost of the private rented sector and freezing of housing benefit support since 2020.
- 4.3. Whilst the planning process is only expected to support a proportion of this need, it is important that our planning policies ensure affordable homes are delivered as part of new residential development to create mixed communities and to meet local housing needs.
- 4.4. In line with paragraph 64 of NPPF the council will seek the provision of affordable housing as part of new residential development through policy 10 of the Local Plan (see figure 1) (and in line with PfE policy JP-H2).

Threshold

- 4.5. Local Plan Policy 10 sets out that ‘all residential development of 15 dwellings and above, in line with national guidance, will be required to provide an appropriate level of affordable housing provision. The current target is for 7.5% of the total development sales value to go towards the delivery of affordable housing, unless it can be clearly demonstrated to the council’s satisfaction that this is not viable.’
- 4.6. Paragraph 65 of NPPF sets out that ‘provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).’
- 4.7. NPPF Annex 2: Glossary defines major developments as ‘development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more’⁹.
- 4.8. Annex 1 of NPPF makes clear that *‘policies in this Framework are material considerations which should be taken into account in dealing with applications ...existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of this Framework. Due weight should be given to them, according to their degree of consistency with this Framework (the closer the policies in the plan to the policies in the Framework, the greater the weight that may be given).’*¹⁰
- 4.9. Therefore, having regard to Annex 1 and paragraph 65, the council should give less weight to the published threshold aspect of Policy 10 of the Local Plan (15 homes) in the consideration of new housing schemes. As having regard to the significant change in national planning policy over the last 14 years, since the publication of the current Local Plan, it is clear that amendments to NPPF have limited impacted the thresholds for gathering developer contributions, including that of the provision of affordable housing, to all major schemes (as per the definition of major development set

⁹ NPPF Annex 2: Glossary – Definition of ‘Major Development’: <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

¹⁰ Paragraphs 231-232 Annex 1 of NPPF.

out NPPF Annex 2: Glossary). In addition, several policy amendments within the revised NPPF demonstrate that a greater weight is placed on the delivery of affordable housing.

- 4.10. Moreover, the LHNA has identified that need for affordable housing across the borough has increased (since the previous LHNA in 2018), whilst in real terms viability of schemes has also increased meaning a greater number of major schemes within the borough are making an on or off-site affordable housing provision. In addition, the council has recently declared an affordable housing crisis in 2024¹¹ – which is further evidence of the need for affordable homes in the borough.
- 4.11. In this regard, considering the amended position, wider aims of the NPPF and updated evidence of local affordable housing need - it is appropriate to use the threshold of 10 homes (major development), as defined in NPPF, in the application of Policy 10. This position remains unchanged to that set out within the previously published Affordable Housing Interim Planning Position Paper (2022).

Policy Position – Affordable Housing Threshold

In line with paragraph 65 of NPPF and considering the evidence of affordable housing need set out in the LHNA, the council considers it appropriate to continue to apply Local Plan Policy 10 in securing the provision of affordable housing, but that this should be on developments of 10 homes or more (in line with the definition of 'Major Development' set out in Annex 2 of NPPF). This approach will be reviewed as part of the Local Plan Review.

Affordable Housing Tenure

- 4.12. As set out in Section 3 above, the LHNA recommends an overall split of housing tenure of 80% market housing and 20% affordable housing.
- 4.13. Analysis within the LHNA has carefully considered the range of affordable tenures that may be appropriate for existing households in need and newly-forming households, in the borough¹².
- 4.14. The analysis has identified that an overall affordable housing tenure split of 65% social/ affordable rented and 35% affordable home ownership across Oldham Borough, would be appropriate.
- 4.15. In calculating the tenure mix, analysis has considered the tenure preferences and incomes of existing and newly-forming households. It also recognises the increased emphasis on delivering social rented affordable dwellings as part of new affordable housing supply (and reinforced in NPPF paragraphs 63-64 and 66).
- 4.16. First Homes are a type of affordable housing tenure, which must be sold at least 30% below the open market value to those who meet defined eligibility criteria. Whilst First Homes continue to meet the definition of 'affordable housing' (as defined in a Ministerial Statement published in May 2021¹³), the requirement to deliver a minimum

¹¹ Oldham Council – [Building a local response to a national housing crisis | Oldham Council](#)

¹² See Technical Appendix C of the LHNA (2024) for the Housing Need Calculations (Affordable Housing).

¹³ Affordable Housing Ministerial Statement (incl. First Homes), May 2021: <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>

of 25% of affordable housing as First Homes, no longer applies. First Homes can still be delivered through s106 and on exception sites.

- 4.17. In this context, where appropriate, First Homes could be included as part of the 35% affordable home ownership tenure split.
- 4.18. Further guidance on First Homes is available online¹⁴.

Policy Position – Affordable Housing Tenure

In line with NPPF paragraph 66, the LHNA provides updated evidence on local housing needs. For affordable housing, the LHNA identifies a suggested tenure split of 65% social / affordable rent and 35% affordable home ownership (including First Homes, where appropriate).

In the application of Local Plan policy 10 and 11, affordable housing provided as part of new residential development should be informed by this split, as appropriate. Exceptions may be acceptable owing to funding requirements or evidence of need for a particular type of housing being presented.

Exceptions to providing Affordable Housing

- 4.19. Exceptions to providing affordable housing as part of new development are set out within policy 10 of the Local Plan. These exceptions will be agreed by the council based on the evidence submitted as part of a planning application.

Vacant Building Credit (VBC)

- 4.20. In addition to the exceptions set out in policy 10 of the Local Plan, paragraph 65 of NPPF sets out that:

‘to support the reuse of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by an appropriate amount [equivalent to the existing gross floorspace of the existing building].’

- 4.21. This is termed ‘Vacant Building Credit’ (VBC). VBC works through the deduction of a financial ‘credit’, equivalent to the existing gross floorspace of any relevant vacant buildings within the redline boundary of the application site brought back into lawful use or demolished for redevelopment, from the overall affordable housing contribution calculation sought from relevant residential development schemes.
- 4.22. For example, where a building with a gross floorspace of 8,000 square metre building is demolished as part of a proposed development with a gross floorspace of 10,000 square metres, any affordable housing contribution should be a fifth of what would normally be sought as it would be applied to only 2,000 square metres. This will apply in calculating either the number of affordable housing units to be provided within the development or where an equivalent financial contribution is being provided.
- 4.23. As set out in PPG¹⁵, VBC does not apply to vacant buildings which have been abandoned (see below for further information). In considering how the vacant building credit should apply to a particular development, local planning authorities should have

¹⁴ First Homes Guidance: <https://www.gov.uk/guidance/first-homes>

¹⁵ PPG ‘Planning Obligations’, paragraphs 26-28: <https://www.gov.uk/guidance/planning-obligations>

regard to the intention of national policy. In doing so, it may be appropriate for authorities to consider:

- 4.24. The council will determine on a case-by-case basis whether a building is vacant or abandoned and whether it is appropriate to apply VBC. Details regarding the type of information that may be required to inform the decision and support a relevant planning application is set out below.

Criteria for applying Vacant Building Credit

- 4.25. The criteria for applying VBC are as follows:

- 1) The site must meet the NPPF definition of 'Previously Developed Land' (NPPF, Annex 2 Glossary).
- 2) The building must meet the Council's definition of a 'Vacant Building' and must not have been abandoned (see below). The whole building should be vacant for VBC to apply.
- 3) The building must not have been made vacant for the sole purposes of redevelopment. The applicant must demonstrate that vacancy has arisen for other reason.
- 4) If the proposal is covered by an extant or recently expired planning permission for the same or substantially the same development or has there been an application submitted but not determined since the VBC was reintroduced and VBC not sought, VBC will not apply.

Definition of a vacant building when applying Vacant Building Credit

- 4.26. Like many authorities, Oldham will use the Community Infrastructure Levy (CIL) definition of a vacant building for this interim planning position. The CIL defines a vacant building as "a building that has not been in continuous use for any 6 month period during the last three years". A 'building' does not include buildings: into which people do not normally go; into which people go only intermittently for the purpose of maintaining or inspecting machinery; or for which planning permission was granted for a limited period.
- 4.27. Whilst Oldham does not have CIL, the CIL definition of a vacant building provides a clear vacancy period which takes into consideration the requirements of Policy 14 of the Local Plan. For employment sites, one of the Policy 14 criteria is that adequate marketing (as agreed with the council) is carried out to determine the site's viability/suitability for the identified employment use. It is important to ensure that Oldham's employment sites are protected from development. This interim position does not supersede any requirements set out within Policy 14.

Abandoned buildings

4.28. In deciding whether a use has been abandoned, account should be taken of all relevant circumstances, such as:

- the condition of the property
- the period of non-use
- whether there is an intervening use; and
- any evidence regarding the owner's intention.

Vacant Building Credit and Outline Planning Applications

4.29. When considering outline planning applications, it may not be clear what the actual number of dwellings, or the size of those dwellings, may be. Therefore, it will be difficult to quantify what vacant building credit will be applicable at this stage.

4.30. Where the local planning authority agrees that the VBC may be applicable, the applicant will be expected to enter into a Section 106 Agreement at the Outline stage to enable the matter to be deferred to a later stage when the relevant details of the scheme have been finalised. If the VBC is applicable to the proposed site, the information on floor space will inform the level of affordable housing contributions.

Vacant Building Credit Statement

4.31. In order to apply for the VBC, a VBC Statement must be submitted alongside a planning application. The following information will need to be included in the Statement:

- Evidence that any referenced building is a 'vacant building', in line with that set out above.
- The whole building must be vacant to apply for VBC.
- Evidence that any referenced building is not an 'abandoned building' or vacated solely for the purpose of redevelopment. The onus will be on the applicant to demonstrate this. The factors the council will take into account are set out above.
- Information on the existing Gross Internal Floor Area (GIFA) and the proposed GIFA¹⁶. GIFA is the area of a building measured to the internal face of the perimeter walls at each floor level.

4.32. The council encourages the above information to also be submitted, where possible, as part of any pre-application discussion so that the potential application of VBC can be considered at the earliest stage.

¹⁶ The Royal Institution of Chartered Surveyors (RICS) definition of GIFA will be used for the purposes of assessing VBC, available at:
https://www.rics.org/content/dam/ricsglobal/documents/standards/May_2015_Code_Of_Measuring_Practice_6th_Edition.pdf

Policy Position – Vacant Building Credit

In line with paragraph 65 of NPPF, Vacant Building Credit may be applied to reduce the affordable housing contribution where the proposed development would meet the required criteria, as follows:

1. The site must meet the NPPF definition of 'Previously Developed Land' (NPPF, Annex 2 Glossary).
2. The building must meet the Council's definition of a 'Vacant Building' and must not have been abandoned (see below). The whole building should be vacant for VBC to apply.
3. The building must not have been made vacant for the sole purposes of redevelopment. The applicant must demonstrate that vacancy has arisen for other reason.
4. If the proposal is covered by an extant or recently expired planning permission for the same or substantially the same development or has there been an application submitted but not determined since the VBC was reintroduced and VBC not sought, VBC will not apply.

Further clarifications and guidance in relation to these criteria is set out in the sections above.

5. Housing in the Green Belt

- 5.1. As set out in section 2 of this paper, paragraph 155(d) of the (revised) NPPF sets out that the development of homes, commercial and other development in the Green Belt should not be regarded as inappropriate where the development proposed meets the 'Golden Rules' requirements set out in paragraphs 156-157.
- 5.2. Golden Rule 'a)' sets out the requirement for a contribution to affordable housing. It states that affordable housing which reflects either: (i) development plan policies produced in accordance with paragraphs 67-68 of this Framework; or (ii) until such policies are in place, the policy set out in paragraph 157 below, should be provided.
- 5.3. Oldham does not have a development plan policy which is in line with paragraph's 67-68, at present. As such, in the application of this Golden Rule, paragraph 157 applies, until the local affordable housing policy is updated through the Local Plan Review.
- 5.4. Paragraph 157 sets out that the affordable housing contribution required to satisfy the Golden Rule is **15 percentage points** above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50%¹⁷.
- 5.5. The use of site-specific viability assessment for land within or released from the Green Belt should be subject to the approach set out in the updated PPG on viability.
- 5.6. Until it is updated, the requirement set out in Oldham's existing Local Plan – Policy 10 – applies. Policy 10 sets out that the current target is for '7.5% of the total development sales value to go towards the delivery of affordable housing, unless it can be clearly demonstrated to the council's satisfaction that this is not viable'.
- 5.7. **In the calculating the amount of affordable housing required by this Golden Rule, the number of dwellings that equates to 15% of the proposed number of dwellings on the development will be added to the number of dwellings that is the equivalent of 7.5% of the total development sales value.**

Example

Total site capacity = 200 homes

7.5% of GDV (in this example) = 40 homes

15% of site capacity = 30 homes

Therefore, affordable housing requirement applying the Golden Rule = **70 homes to be for affordable housing.**

¹⁷ Footnote 60 of NPPF sets out that the 50% cap does not apply to rural exception sites or community-led development exception sites, or if the local planning authority has a relevant existing policy, which would apply to the development, which is above 50%.

- 5.8. Where, with the addition of the 15%, the amount of affordable housing would go above 50% of the site capacity, the amount of affordable housing required will be subject to a cap at 50% of the site capacity. For example, a site of 200 homes in the Green Belt, would be expected to provide no more than 100 homes as affordable. The 50% cap does not prevent a developer from agreeing to provide affordable housing contributions which exceed the cap.
- 5.9. In terms of viability, updated PPG18 is clear that where development takes place on land situated in, or released from, the Green Belt (not including sites released from the Green Belt through PfE) and is subject to the 'Golden Rules', site specific viability assessments should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing. Where an existing policy is applicable, the uplift percentage applied should be applied regardless of viability. This is to ensure a high bar is set for development within the Green Belt.

Policy Position – Applying Golden Rule a) Affordable Housing

In line with NPPF, where the development of homes is proposed within the Green Belt, the 'Golden Rules' will apply. In terms of affordable housing, Golden Rule a) applies and will be sought in conjunction with policy 10 of the Local Plan, in line with paragraph 157 of NPPF.

In calculating the number of affordable homes required under this Golden Rule, calculate what 15% of the number of dwellings being created on the site would be and add that to the number of dwellings that is the equivalent of 7.5% of the total development sales value. An example is provided above to assist in application.

As set out in NPPF, the use of site-specific viability assessment for land within or released from the Green Belt should be subject to the approach set out in PPG on viability.

Affordable housing tenure should be considered in line with Local Plan policy 11 and the guidance provided in section 4 of this paper.

¹⁸ PPG 'Viability', Paragraph: 029 Reference ID: 10-029-20241212: <https://www.gov.uk/guidance/viability>

6. Conclusion

- 6.1. This Interim Planning Position Paper supports the implementation of policies within Oldham's Local Plan – The Joint Core Strategy and Development Management Development Plan Document, adopted November 2011.
- 6.2. This paper supersedes the previous 'Affordable Housing Interim Planning Position Paper' published by the council in March 2022.
- 6.3. The paper sets out the council's updated position in relation to:
 - Housing mix – size, type and tenure – including housing mix for affordable housing;
 - Affordable housing requirements, including affordable housing thresholds and exceptions (including the application of Vacant Building Credit).
 - Housing in the Green Belt including the application of the affordable housing 'Golden Rule'.
- 6.4. The paper should be used as guidance for developers in preparing development proposals and as a material consideration when assessing planning applications and development proposals for residential development.
- 6.5. It must be read alongside PfE and the Local Plan as a whole, but in particular - PfE policy JP-H2 'Affordability of New Housing', JP-H3 'Type, Size and Design of New Housing' and also policy 3 'Address of Choice', policy 10 'Affordable Housing' and policy 11 'Housing' of Oldham's Local Plan.
- 6.6. This paper is informed by the council's LHNA (2024). The LHNA is a key evidence base document and sets out information on local housing needs of different groups (including affordable housing, provision for older people and disabled people), housing mix – including size, tenure and type, and sets out recommendations and policy guidance.
- 6.7. The council's approach to updated national guidance and local evidence will be considered further and inform policy preparation as part of the Local Plan Review.